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Last Poppy Crop in Turkey

Agricultural Trade in Morocco

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This week's cover:

Turkish women collect opium gum—the raw material from which heroin and other narcotic drugs are derived—from field of poppy pods. This summer's poppy crop will be the last grown in Turkey. Next year farmers will replace income from poppies with profits from the crops and procedures outlined in the article beginning on this page.

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Grain and Livestock Poppies in Turkey's

By QUENTIN M.
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Dr. West served as deputy team leader of the U.S. study team that went to Turkey. Clifford M. Hardin, former Secretary of Agriculture, was leader.

This summer the last crop of opium poppies in Turkey will be harvested in four Provinces. One year from now—the first time in over a thousand years—no opium poppies will be raised in Turkey.

Instead, farmers of the western Anatolian Plateau, where poppy cultivation has been concentrated, will turn to seeding improved strains of wheat, diverting some wheat land to feedgrains, trying new oilseed crops, experimenting with forages, and starting a commercial livestock industry.

This revolution will be the result of action taken by the Turkish Government with support from the United States. Both countries will profit by the move.

For Turkey, the new crops should provide its farmers with cash incomes in excess of the old profits from poppies

and could, in addition, provide much-needed agricultural exports for bolstering the country's balance of payments.

For the United States, a major source of heroin (which is derived from the opium gum harvested from poppies) will be eliminated. For years much of the heroin entering the United States has found its way illegally from Turkey's poppy fields.

After a 10-year phaseout of opium production from 42 Provinces to seven in 1971, Turkey's Prime Minister Nihat Erim announced in June of that year that poppy cultivation would cease after the next crop year. At the same time, he requested help from the United States in planning profitable alternatives to poppy farming.

President Nixon responded by asking the U.S. Department of Agriculture to provide a staff of agricultural experts and the Agency for International Development to make available money for an on-the-spot study of farming possibilities on the western Anatolian Plateau

One of the first specific considerations was to find a suitable oil crop to replace poppies. Turkish farmers not only raise opium poppies for the gum and pod, from which drugs are derived, but also for seeds, from which local industries extract a preferred domestic cooking oil. Seeds are also exported for use as garnishes for baked goods.

The team determined that sunflower, safflower, and rape hold promise as substitute oil crops on the Anatolian Plateau with the precise choice depending on the time of planting and the moisture available. A particularly interesting possibility is planting safflower in the fall to take advantage of winter rainfall. This would permit double cropping on some land (and therefore double income) and provide greater flexibility in systems of rotation.

The overall plan devised for the area is basically to improve wheat yields sufficiently so that some land already in wheat or now in poppies can be shifted to feedgrains, oilseeds, and forages to support a commercial livestock industry. This would include poultry, beef, lamb, and mutton; and eventually, integrated dairy-beef enterprises. If livestock and poultry production could be expanded to its potential, Turkey could export livestock products.

The first step would be to increase wheat yields. At present, yields average about 1.1 metric tons per hectare. Wheat yields in the United States, in contrast, are about 1.8 metric tons per hectare (27.1 bushels per acre).

Team experts noted that wheat yields in the area could be increased more than 50 percent by planting improved varieties and by better cultural practices. At present about 1.2 million hectares are in wheat in the seven Provinces, of which about 793,000 hectares are planted each year.

Considerable numbers of livestock already exist in the area, but care and feeding of them is not geared to commercial output of animal products. Most of the pastures are overgrazed. Frequently, cattle, sheep, and goats have so little food in the winter they can barely survive. Under such conditions they produce little milk, meat, or wool.

The same program that would divert land from wheat to raising animal feeds would also include using submarginal



Left, local farmers examine seed wheat for new, high-yielding varieties. Above, U.S. advisers inspect Turkish cattle eating forage in a new feedlot.

Can Replace Farm Income

—the chief poppy-raising area.

The U.S. study team of 13 men arrived in Turkey in October 1971, were joined by about 50 Turkish experts, and for the next 3 weeks studied the entire production and marketing system of the area. They concentrated on determining what agricultural enterprises or combinations of them appeared to have the most promise.

In general, the team aimed at a development program that would maximize rural family income, be socially acceptable to farmers, increase production of export crops or substitutes for imports, establish agroindustries to support production and increase employment, provide additional marketing structure and institutions needed for farm development, and, finally, serve as a pilot project that would be applicable to other regions of Turkey.

cultivated lands for pasture and forage crops. Further, existing pastures could be improved through reduced stocking rates, reseeding, controlled grazing, and marketing animals at an early age so they would move rapidly off pastures to consumers.

The land shifted from wheat would be planted to feedgrains, oilseeds (for making protein supplements for animal feed), and forages. Barley, sorghum, and millet are the feedgrains that seem adaptable to the plateau. Millet shows particular promise because of its potential for rotation with barley, rape, and hairy vetch in a cropping pattern that would maintain soil fertility. It also has possibilities for double cropping with winter barley and winter rape. Potential forage crops, in addition to hairy vetch, are alfalfa and sainfoin (a legume).

A supplement to the overall plan is an outline for improved use of existing irrigation facilities that now water about 153,000 hectares on the western Anatolian Plateau. While the land irri-

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U.S. Maintains Steady Position in Morocco's Ten-Year Farm Trade

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During the past decade, Morocco's farm imports have risen about 42 percent and, although the U.S. share has declined from 30 to 26 percent, the value of agricultural imports from the United States has risen from \$32 million to \$40 million—a 25-percent gain.

Agricultural items accounted for more than 60 percent of Moroccan imports in the early sixties, but had dropped to 50 percent by 1970.

Over the last 10 years, the U.S. share of Morocco's total imports has remained at about 10 to 11 percent, but the value has risen from \$49 million to \$78 million. During 1970, the United States regained second place as a supplier of Morocco's total imports. France continues in first place and West Germany is now third.

Continued sales of U.S. farm products will depend largely on U.S. terms of trade in relation to those of competitors. Morocco has maintained the parity of the dirham with the dollar. Thus, if European currencies are revalued upward, the United States could gain a slight advantage in the Moroccan market.

However, the farm commodities which Morocco buys from the United States are available from other suppliers. Since the United States buys little from Morocco, U.S. trade is vulnerable to competition from suppliers who buy larger quantities.

Imports. Morocco's leading farm imports during the early sixties in order of importance were cereals, sugar, coffee-

tea-spices, fats and oils, dairy products, and cotton. In 1970, these commodities still were leading, except that cereals had dropped behind coffee-tea-spices and sugar.

The United States is the leading supplier of cereals, fats and oils, and cotton to Morocco.

During 1961-63 cereal imports averaged 455,000 tons. They rose to 577,000 in 1967-69 and then dropped to 368,700 in 1970.

Wheat, including flour, is by far the most important cereal import: wheat and wheat flour import during the sixties averaged \$28 million a year—largely from the United States. The U.S. share has fluctuated from year to year depending on marketing conditions and supplies in other countries.

The United States has held more than 50 percent, and often nearly all, of Morocco's wheat and flour market in the last decade. In recent years an increasing share has come under commercial sales. In 1970, the United States supplied over 90 percent of Morocco's imported wheat and all the flour.

Morocco's production of bread wheat, durum, barley, and corn in 1971 is estimated at nearly 4.3 million tons—a 17-percent rise over output in 1970. Even though 1971 is the fourth consecutive year of above-average grain crops, Morocco will need imports of an additional 500,000 to 600,000 tons of bread wheat in 1971-72. Except for 100,000 tons expected from Canadian, French, and European Community (EC) grants, a large part of this need will be covered by P.L. 480 and CCC.

Trade in feed barley depends on domestic output. In poor crop years, Morocco imports barley, and in good years, it exports. In 1971, there was a 12-percent increase in the barley crop; thus, this will be an exporting year. Since 1967, only malting barley has been imported.

Sugar imports, valued at \$27 million in 1970, have remained about the same

TOTAL VALUE AND U.S. SHARE OF MOROCCO'S AGRICULTURAL TRADE

Item	Average 1961-63		Average 1967-69		1970	
	Value	U.S. share	Value	U.S. share	Value	U.S. Share
	1,000 U.S. dol.	Percent	1,000 U.S. dol.	Percent	1,000 U.S. dol.	Percent
IMPORTS						
Animals and meat	155	—	928	—	1,677	—
Dairy products and eggs ...	8,152	2.2	12,714	5.3	14,081	4.2
Cereal grains	27,440	76.7	41,454	65.5	27,178	87.7
Fruits, nuts, vegetables ...	3,910	—	4,723	—	5,885	—
Sugar	24,067	—	24,793	—	27,508	—
Coffee, tea, cocoa, spices ...	16,161	—	25,415	—	30,358	—
Tobacco, unmanufactured ..	2,407	9.9	2,972	14.3	3,342	—
Oilseeds	3,715	25.8	2,688	—	3,605	—
Oils and fats	14,523	62.8	15,960	30.1	21,091	52.0
Cotton and sisal	3,508	45.2	8,463	35.4	11,544	33.4
Other	2,016	.6	3,703	—	4,031	—
Total imports	106,054	29.9	143,813	25.1	150,300	26.5
EXPORTS						
Cereal grains	9,361	—	5,761	—	7,587	—
Fruits, nuts, vegetables ...	85,239	.5	156,236	.3	176,686	.1
Sugar	1,288	—	850	13.4	2,602	14.8
Coffee, tea, cocoa, spices ...	1,900	2.3	2,681	29.9	2,625	14.5
Animal feed	7,774	4.2	7,332	2.2	9,658	—
Beverages	14,871	—	8,738	—	9,824	—
Hides and skins	3,655	—	27	—	3,713	13.1
Cotton	4,614	13.4	7,270	4.5	5,851	.4
Crin vegetal, alfa, seaweed .	15,451	.3	4,842	—	10,806	—
Olive oil	2,604	—	7,436	4.1	3,798	—
Other	2,868	.1	1,586	.8	2,523	—
Total exports	149,625	1.1	202,759	1.1	235,673	.7

This is the first in a series of articles by members of the Foreign Regional Analysis Division on U.S. trade prospects in a number of Middle East and African countries.

for a number of years because increased domestic output has satisfied Morocco's rapidly rising consumption needs. The domestic industry, inaugurated in 1962, produced more than a million tons of beets in 1970.

Cuba's share of the Moroccan sugar market has declined since 1961-63. However, an agreement with Cuba calls for Moroccan imports of 300,000 tons of sugar during 1970-72 in return for superphosphate, canned sardines, vegetables, and canarygrass seed. Total vegetable oil imports, valued at \$18.5 million in 1970, have trended upward slightly since 1961-63, but the types of oil and the sources of supply have varied from year to year. U.S. soybean and cottonseed oil shipped under P.L. 480 agreements dominated the market until 1967. In 1967-69 the U.S. share of oil imports declined because of competition from sunflowerseed oil from the USSR and Romania, but in 1970, U.S. oil regained a large part of the oil market.

Morocco received more than \$3.3 million of tallow from the United States in 1970, an increase of 24 percent from 1961-63 shipments. Over the last decade, the U.S. share of the tallow market has risen from 82 to 100 percent.

Traditionally Morocco has imported short-staple cotton mainly from the United States and has exported long-staple, Egyptian-type cotton. In 1970, Moroccan imports were valued at \$4.8 million, with 81 percent from the United States. Recent expansion of Morocco's textile industry, with assured domestic outlets and foreign markets in the EC and Algeria, should provide additional opportunities for U.S. cotton exports.

Exports. While Morocco's total exports were up about 37 percent during the last decade, agricultural exports rose nearly 58 percent. Agriculture's share of total exports rose from 42 to 48 percent during that period. Most of the increase was in shipments of fruits and vegetables which, in 1970, exceeded export sales of rock phosphate—traditionally Morocco's largest export.

The bulk of Morocco's exports go to France, West Germany, the United Kingdom, and Italy. The United States is not a large market. In fact, the U.S. share of total Moroccan exports has dropped from 2.3 percent to 1.6 in the last decade. The U.S. share of agricul-

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Commercial Rice Markets: U.S. Share Is Eroded By Greater Sales Rivalry

By JAMES W. WILLIS
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The United States is a major producer and exporter of long grain rice. During the past decade about 51 percent of all rice produced in this country entered the world export market. Roughly half of this percentage went into commercial export channels. Despite this movement of U.S. rice, total U.S. commercial rice exports have fallen off in recent years.

U.S. rice enters more than 120 countries, 11 of which account for 65 percent of total U.S. commercial sales.¹ Recent changes in these 11 markets and developments among their major suppliers help to explain the fall in U.S. commercial rice exports—from a record 1.1 million tons in calendar 1968 to 694,000 in 1970, with a further decline expected in 1971.

The rise in U.S. commercial rice exports to the 1968 level was due in large degree to expansion of sales in Western Europe, which has accounted for at least 20 percent of U.S. commercial sales over the past 5 years. The European Community (EC) and the United Kingdom accounted for over 95 percent (238,000 tons) of all U.S. commercial rice sales to this region.

The four major rice importers of the European Community (West Germany, the Netherlands, Belgium-Luxembourg, and France), when considered as a whole, comprise the most important hard currency market for U.S. rice and account for over 18 percent of U.S. commercial rice sales.

The EC imports long grain rice, primarily on a brown (husked) basis, be-

cause levies for brown rice are over \$70 lower than those for fully milled long grain rice. This margin of protection was established to discourage milled rice imports so that the EC could utilize its mills to capacity.

The volume of EC rice imports after establishment of the Common Agricultural Policy (1965-70) has been more than 10 percent above that of the pre-Common-Rice-Policy period (1958-64). However, the third-country share of total domestic EC rice consumption has declined by over 10 percent.

The U.S. share of the EC market grew from 23 percent in 1964 to more than 42 percent by 1968, but began to decline in 1969, falling to 32 percent by 1970.

EC import levies in 1970 were up 28 percent over 1969's and some drawing down of stocks had occurred, but the chief reason for the 45,000-ton reduction in U.S. sales to the Community from 1969 was an increase of 39,000 tons in rice shipments from Argentina and Brazil.

Argentina, whose exports to the EC have increased by the largest degree, removed its export retention tax in 1970 and, for the first time, granted a 15-percent refund to exporters. As a result, Argentine long grain brown rice at EC ports was offered 7-10 percent below U.S. rice prices.

Lower prices offered by Australia and Pakistan also increased their sales to the United Kingdom in 1970.

The United States, however, remained the largest single source of supply for the 126,000-ton U.K. market in 1970 and its share rose slightly from the 1969 level. But, after the first 7 months of 1971, the U.S. share was down by over 8 percent from the 1970 level as imports from Australia and from Italy increased by 3,100 tons and 32,000 tons, respectively.

Australia, anticipating the loss of its

¹ West Germany, the Netherlands, Belgium-Luxembourg, France, the United Kingdom, Canada, Jamaica, Saudi Arabia, the islands of Nansei and Nanpo (Okinawa), South Africa, and Liberia.

Okinawan market due to the expected return of the Ryukyu Islands to Japan, is looking to the United Kingdom as a market for more of its rice. Parboiling plants are being constructed so that Australia will have a product more readily acceptable on the U.K. market.

In the past, half of the rice exported by the United States to the United Kingdom was a medium grain type on a brown basis. Larger amounts of medium grain rice in milled form are now being supplied by Italy under a subsidy of approximately \$130 per ton.

Medium grain rice also accounts for a large share of the Canadian rice market (30 percent of U.S. exports to that country in 1970). Italy, which produces short and medium grain rice, increased its exports to the Canadian market from an insignificant amount during the first half of 1970 to 21,523 tons during the same period in 1971. This rise in Italian exports, combined with a fall in U.S. milled rice sales to Canada by approximately 10,000 tons during the first 9 months of 1971, will give Italy a sizable share of the Canadian market.

Canadian imports from Italy, Argentina, and Brazil—in the first 7 months of 1971—were 11,465 tons above imports during the same period of 1970. This, plus 3,400 tons of reexports from the United Kingdom, dropped the U.S. share to 37 percent below 1970's.

Jamaica, second only to Canada as a market for U.S. rice in the Western Hemisphere, increased its rice imports by 19 percent in 1970 from 1969. Rice imported from the United States, however, increased only slightly and, as a result, the U.S. share fell from 70 to 62 percent. Guyana was the major supplier for most of these additional amounts.

Production of rice and other food crops in Jamaica is small, particularly in relation to consumption; therefore, consumption needs must be met with imports. As consumption continues to expand at a pace of approximately 3,000 tons annually over the next few years, Jamaican import requirements will continue to increase. The success of the United States in this market, however, will depend on whether or not the Jamaican Government specifies the United States as a country of origin when issuing its quarterly import licenses.

Guyana, a fellow member of the Caribbean Free Trade Association, will be the major competitor for this market

because it exports long grain rice in parboiled and milled forms, the two major rice products demanded by this market. Jamaica's reliance on this source of supply, however, will be highly influenced by Guyana's ability to supply the quantity of rice required. Fluctuations in Guyana's rice production over the past 5 years have had a noticeable effect on its total exports, which fell from 110,000 tons in 1965 to 60,000 tons in 1970.

Unlike the situation in the major European and American commercial rice markets, the larger U.S. rice markets in Asia and Africa have not been greatly influenced by South American and European suppliers. The United States will, however, continue to meet strong competition here from major Asian and African rice exporters such as Thailand, Pakistan, Japan, and Egypt, and from Australia.

In Asia and the Middle East, the two major commercial rice marketing regions are the States of the Arabian Peninsula and Nansei and Nanpo Islands (Okinawa). In 1970, the Arabian Peninsula States imported approximately 250,000 tons of rice (75,000 tons from the United States), while the Nansei and Nanpo Islands took 90,000 tons (30,000 tons from the United States).

Saudi Arabia, which accounts for over 65 percent of the rice imported by the States of the Arabian Peninsula, imported 68,800 tons more rice in 1970 than in 1969. Thai rice filled 62,000 tons of these increased requirements, while imports from the United States decreased by 4,600 tons. Increased competition from both Thailand and Pakistan also has been detrimental to U.S. sales in this market in 1971.

Total Saudi Arabian rice imports were expected to continue at a relatively high level in 1971. However, the U.S. share of this market is not expected to rise above the 1970 level as U.S. exports during the first 9 months of 1971 were only 26,523 tons, compared to 48,462 tons during the same period in 1970 and 47,698 in 1969.

Practically all of the rice imported by Saudi Arabia is in a parboiled form. The success of Thailand in this market

U.S. rice on sale at a British supermarket. The U.S. share of big U.K. rice imports has declined in the past year.



has been due to the removal of its export premium (tax) on 100- and 5-percent parboiled rice which reduced the price of Thai parboiled rice and made it more competitive with parboiled rice from other origins.

Rice is produced in small quantities in Saudi Arabia, but the demand for it has increased substantially in line with the rise in incomes. Expansion of cropped area in the near future will be at restricted rates because of the scarcity of water.

In the Far East, the anticipated return to Japan of the Okinawan Islands of Nansei and Nanpo, the largest commercial market for U.S. rice in this area, has already affected rice sales by the United States and Australia, two traditional suppliers. U.S. rice exports to Okinawa fell from 62,500 tons in 1969 to only 30,000 tons in 1970. Japa-





Italian rice, some of it threshed by machinery like this, was partly responsible for greater rice competition.

Africa continues to be the largest single market for U.S. commercial rice exports in the world. Favorable prices plus a strong preference for U.S. long grain rice, primarily on a brown basis, kept the U.S. share of the South African market at 93 percent in 1970, rising to 95 percent during the first half of 1971.

South African rice imports on a milled basis are subject to import barriers to encourage domestic processing and to save foreign exchange. A high tariff on milled rice and a rebate on rice in the husk or on a brown basis has been successful in achieving this objective because 75 percent of all rice imports are of brown or parboiled brown rice. Imports will continue to meet most of South Africa's rice requirements because the high cost of raising rice domestically and competition for land and water resources from other crops have kept rice production down.

In Liberia, the Government's attempt to increase production during 1970 had little impact on output. As a result, 41,734 tons of rice was imported from the United States and 7,298 tons from Egypt.

The Liberian Industrial Development Corporation (LIDCO), a quasi-monopoly set up by the Government to import rice, preferred Egyptian rice over U.S. rice because of its lower price. With the retail price pegged above the import price for U.S. rice, LIDCO, wholesalers, and retailers were able to achieve greater profit by importing the cheaper rice. Pressure induced by strong consumer demand for the U.S. product, however, kept Egyptian rice from gaining a larger share of this market.

LIDCO was recently abolished since the price of rice, Liberia's principal subsistence food, had risen nearly 40 percent after this rice monopoly was granted. The Liberian Agricultural Development Corporation (LADCO), another rice-importing monopoly, has since been formed; but, unlike LIDCO, this new monopoly will be a multipurpose agricultural corporation created primarily to expand cultivation of rice.

Unless LADCO is successful in greatly expanding production, Liberia

will continue to import rice to fill its expanding consumption requirements. This preference for U.S. rice in relation to Egyptian rice should—over the short run ahead—be a major factor influencing Liberia's decision to fill most of these requirements with U.S. rice.

A preference for American high-quality rice will continue to help the United States maintain a high level of exports to each of these markets. But competitors can reduce the price of their rice to the point where it becomes feasible for importers to risk a loss in sales by selling lower quality rice, yet still achieve a larger profit margin than would result from the sale of U.S. rice.

This was the primary factor causing a reduction in the U.S. share of these 11 selected markets from 56.5 percent in 1969 to 46.3 percent in 1970, and which accounted for a large share of the total decline in U.S. commercial sales since 1968.

This reduction caused U.S. commercial rice exports, as a percentage of world commercial rice trade, to fall from 55 to 46 percent in 1970 from 1969. Sales under U.S. Government programs have helped to offset much of this decline, but the future extent of this assistance may be limited by the amount of long grain rice that can be rechanneled from commercial into non-commercial markets, since most non-commercial markets prefer short or medium type rice.

During the sixties, the consumption of rice in South Africa averaged only 7.5 pounds per capita while use of corn and wheat was 452.2 pounds and 128 pounds per capita, respectively. It should be noted, however, that total domestic demand for rice increased from about 3,000 tons in 1950 to 78,000 tons by 1970, while the demand for wheat and corn remained relatively stable.

One of the factors shaping the demand for rice in South Africa was the growth in the population segment of Indian extraction (roughly 3 percent of the total population). A more significant factor, however, has been the growth in incomes and urbanization. The common tendency has been for consumers to purchase laborsaving products which impart social prestige to the users—such as bread, noodles, or rice. As incomes grow, use of these commodities can be expected to increase.

nese rice shipments, on the other hand, increased from 5 tons to 30,000 tons.

After 9 months in 1971, only 8,488 tons of U.S. rice had been exported to Okinawa, all of which was shipped during March. Also, Australian rice shipments during the first half of 1971 were 8,194 tons below the same period in 1970. Japanese rice exports to Okinawa totaled 30,839 tons after 8 months in 1971.

Unless there is a strong consumer preference for U.S. medium grain rice on a brown basis, or for Australian brown rice, Japanese short grain rice will continue to capture a large portion of this market.

In contrast to other world markets the two major African importers of U.S. rice—South Africa and Liberia—have not been seriously affected by other suppliers. The Republic of South





American Breeding Cattle Beef Up Spanish Herds

The Spanish economy has been vigorously expanding in the last decade: per capita income has doubled, while Spain has amassed a record US\$2.9 billion of international reserves. Even though growth slowed in the first half of 1971, the economy was still healthy enough to expand its Gross National Product at the rate of 5.5 percent.

As their incomes rise, Spaniards have increased their demand for consumer

goods, especially food. More families are buying larger quantities of meats, vegetables, and dairy products.

Unfortunately, Spain does not produce enough meat and dairy products to meet this demand, and consumers must rely on imports. In 1970, imports of beef amounted to \$63 million and dairy products to \$30 million: the total amount—\$100 million—represents a sizable investment in consumer goods,

Above, left to right, a 550-head shipment of U.S. Herefords is unloaded at La Coruña, in the northwest of Spain. These cattle were imported for a nearby beef improvement program.

and is a considerable drain on the national economy.

The Spanish Ministry of Agriculture has long been convinced that, given reasonable effort and financing, Spain could easily produce enough meat and dairy products to satisfy domestic needs. In order to attain this goal, the Ministry has embarked on a series of development programs.

One program is designed to encourage expansion of beef and dairy herds. The Ministry of Agriculture will donate up to 30 cows to a cooperating farmer, provided he buys an equal number of cows on the open market. The farmer must then repay, within 3 years, a female calf for every cow he originally received from the program. The Ministry will use these female calves to continue the program.

In addition, the Ministry will give one or two registered bulls to farmers having a minimum of 40 cows.

Another Government program encourages the slaughter of heavier calves through a system of graduated price supports. By granting price incentives for heavier carcasses, the Ministry of Agriculture hopes to increase the total meat supply.

On July 17, 1969, the Spanish Government and the World Bank concluded a \$25 million, 17-year loan. Spain agreed to match this amount with an appropriation of \$27 million. These funds will be used to expand the pro-

French Test Protein Manufacturing

A plant to test a commercial process for manufacturing protein from petroleum is expected to start operation soon at Cap Lavera near Marseilles, France. The 20,000-ton-capacity installation is operated by the Société Française des Pétroles B.P. and will serve as a model for a larger facility scheduled for construction within the next 5 years.

The second plant, with a capacity of some 150,000 tons per year, will be able to meet about 10 percent of the protein requirements for animal feed generated within an area that roughly encompasses southern France, northern Spain, and Italy.

Present speculation is that the project's protein output will compete with other sources of protein such as soybeans and fishmeal.

One possible use for petroleum protein is as calf food. If milk production continues to decline and the trend con-

tinues toward increased use of milk for cheese and as liquid food, there could be a considerable demand for petroleum protein as a milk replacer.

The petroleum product manufactured under the French process is 70 percent pure protein and experiments indicate that in no case have test animals suffered adverse effects from the standpoints of growth or meat quality.

The French process manufactures protein essentially by cultivating yeast on petroleum and other chemical compounds. A different process is being developed in the United States, which basically consists of separating paraffins from petroleum, the former then being broken down by bacteria to produce protein materials.

—Based on a dispatch by
THOMAS E. STREET
U. S. Agricultural Attaché
Paris



duction of beef and dairy cattle on 1,000 cooperating farms through pasture improvement, fencing, and facility loans.

Another important development program—and one of particular significance for American beef cattle producers—authorized the import of up to 20,000 bred heifers for Spanish farmers cooperating with the Concerted Action Program.

Heifers imported for this program must be under 3 years of age, must be of beef breeds recognized by the Ministry of Agriculture, but can be of either European or American origin; they may be either grade or unregistered, but must have been serviced by registered sires of their own breed.

U.S. cattlemen have already taken a interest in the program. In 1971, 920 head of American Holstein-Friesian cattle and 550 head of Hereford cattle were shipped to Spain.

Early in 1971, 430 head of U.S. cattle, mostly of dairy breeds, were moved directly to Spanish farms. On October 17, 550 head of grade Hereford heifers were delivered to the TECNAGRO group of La Coruña under the CCC credit program.

A group of 486 head of Holstein-Friesians arrived on November 15 at Vigo for the ILLWA agency account. These Holsteins were purchased for distribution to cooperating farmers.

The arrival of these U.S. cattle should increase the quality and quantity of Spanish beef and dairy products, and eventually help to eliminate Spain's dependency on imports of these foodstuffs.

—Based on a dispatch by

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Morocco's 10-Year Farm Trade

(Continued from page 5)

tural exports also has declined slightly, but remains near 1 percent.

In 1970, citrus fruits, valued at more than \$70 million, were exported principally to France, Germany, and the USSR. More than \$35 million of fresh tomatoes were shipped. Almost all went to France. Pulses, worth \$29 million, and potatoes, valued at \$8 million were exported to EC countries. Other important exports in 1970 included wine and preserved fruit to France; vegetable fibers to France, the United Kingdom, and Eastern Europe; olive oil to Italy; long-staple cotton to India; and animal feeds, canarygrass seed, and spices to diverse destinations.

Fruit and vegetable exports are on an uptrend which will continue as commercial agriculture supplies the citrus and off-season vegetables needed in Europe. For citrus, however, competition from nearby countries is increasing. Wine exports are declining and probably will drop even further as land is taken out of grapes.

Olive oil exports, valued at \$3.8 million in 1970, were down from the 10-year average of \$7.3 million. Olive oil exports vary sharply from year to year because of production swings.

In 1970, \$2.6 million of molasses, a byproduct of the sugar industry, was exported to the United States and the United Kingdom. Irrigated summer sugar beets probably will take over some land now in rice and cotton.

Morocco usually has a trade deficit. In recent years this deficit has hovered at around \$100 million. It increased to

\$109 million in 1970 because exports were adversely affected by a drop in olive oil production and a decline in the export value of fruits and vegetables. The decline was caused by competition from other Mediterranean countries. At the same time, imports of wheat, capital equipment, consumer goods, and semi-manufactured products were up. Morocco's exports are heavily weighted by farm products (over 40 percent) and imports, by nonagricultural items (more than 75 percent).

A 5-year preferential trade arrangement with the EC, signed in 1969, allows tariff reductions on citrus fruits, olive oil, hard wheat, and some preserved fruits and vegetables and permits most Moroccan industrial goods duty-free entry into the EC. (*Foreign Agriculture*, Jan. 11, 1971.) Under the agreement, France was also allowed to give continued preference to Moroccan wine and fresh vegetables. Morocco, in turn, reduced its tariff by 25 percent on a wide range of nonagricultural items imported from the EC. This arrangement largely replaces traditional preferences with France and is not likely to affect U.S.-Morocco trade.

The U.S. share of the \$690 million Moroccan import market is expected to increase moderately in the near future. Morocco will continue to need imported cereals, vegetable oils, and cotton, for which the United States is the leading supplier. However, the United States will maintain its position only as long as these commodities are offered on terms better than those of competitors in nearby countries.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Jan. 19	Change from previous week		A year ago
		Dol. per bu.	Cents per bu.	
Wheat:				
Canadian No. 1 CWRS-14 ..	1.99	—2		¹ 2.08
USSR SKS-14	1.87	—1		2.05
Australian FAQ	1.89	—1		1.88
U.S. No. 2 Dark Northern Spring:				
14 percent	1.92	—1		2.10
15 percent	1.99	0		2.13
U.S. No. 2 Hard Winter:				
13.5 percent	1.79	—1		2.00
No. 3 Hard Amber Durum..	1.82	0		2.03
Argentine	(²)	(²)		(²)
U.S. No. 2 Soft Red Winter..	(²)	(²)		1.94
Feedgrains:				
U.S. No. 3 Yellow corn	1.45	0		1.83
Argentine Plate corn	1.59	—4		1.87
U.S. No. 2 sorghum	1.51	—5		1.64
Argentine-Granifero sorghum	1.54	—5		1.59
U.S. No. 3 Feed barley	1.26	—4		1.55
Soybeans:				
U.S. No. 2 Yellow	3.39	0		3.41
EC import levies:				
Wheat ³	⁴ 1.60	—1		1.40
Corn ⁵	⁴ 1.07	0		.62
Sorghum ⁵	⁴ .99	+4		.73

¹ Manitoba No. 2. ² Not quoted. ³ Durum has a separate levy.
⁴ Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. ⁵ Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries.
 Note: Basis—30- to 60-day delivery.

SUGAR AND TROPICAL PRODUCTS

U.S. Establishes Quotas On Confectionery Imports

As required by the 1971 amendments to the Sugar Act, the U.S. Department of Agriculture on January 1, 1972, implemented import quotas on sweetened chocolate (other than in bars and blocks 10 lb. or more), candy, and confectionery. The quotas apply to items 156.30 and 157.10 of the Tariff Schedules of the United States.

The quota for 1972 has been set at 196,641,400 pounds, to be filled on a first-come, first-served basis. Of this amount, 21,680,000 pounds are reserved exclusively for imports of chocolate crumb, which is under individual country quotas

previously established by Section 22 of the Agricultural Adjustment Act. Of the remaining balance of 174,961,400 pounds, 70 percent may be imported during the first three-quarters of 1972, and the remaining 30 percent during the final quarter of the year.

The 1972 quota was determined by taking the larger amount of either the average of 1968-70 imports of these items (152,103,191 lb.) or 5 percent of 1970 confectionery manufacturers' sales in the U.S. (196,641,400 lb.).

Import licenses or prior clearances are not required, and individual shipments valued at \$25 or less are exempted from the quota.

LIVESTOCK AND MEAT PRODUCTS

U.S. Meat Imports Down in November

U.S. imports subject to the Meat Import Law totaled 63.2 million pounds during November 1971, compared with 79.3 million pounds in November 1970. Declared entries for consumption during January-November 1971, at 1,002.3 million pounds, were 7 percent below the 1,080.8 million pounds imported during January-November 1970.

Smaller declared entries from Australia, New Zealand, and Ireland accounted for most of the decline and offset larger entries from such countries as Mexico, Canada, Nicaragua, Guatemala, and Honduras. Imports from Australia, the largest supplier, totaled 24.4 million pounds. New Zealand was second with 7.8 million pounds, Mexico third with 7.7 million pounds, and Canada fourth with 7.3 million pounds.

Total imports are listed in the table below. Figures for imports from individual countries were published in the Crops and Markets section of last week's *Foreign Agriculture*.

U.S. IMPORTS OF MEAT SUBJECT TO
MEAT IMPORT LAW (P.L. 88-482)

Imports	November	
	November	January-November
	Million pounds	Million pounds
1971:		
Subject to Meat Import Law ¹	63.2	1,002.3
Total beef and veal ²	72.4	1,166.7
Total red meat ³	100.6	1,574.6
1970:		
Subject to Meat Import Law ¹	79.3	1,080.8
Total beef and veal ²	95.7	1,245.9
Total red meat ³	131.1	1,670.5
1969:		
Subject to Meat Import Law ¹	51.4	1,014.7
Total beef and veal ²	64.2	1,133.4
Total red meat ³	96.1	1,534.8

¹ Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. ² All forms, including canned and preserved.
³ Total beef, veal, pork, lamb, mutton, and goat.

FRUITS, NUTS, AND VEGETABLES

Spanish Dried Fruit

Production Below Average

Spain reports a smaller 1971 dried fruit crop totaling 8,300 short tons, 37 percent below 1970 and slightly less than half the 1965-69 average. The season was characterized by drought, heavy May rains, and mildew. Production of each item was the smallest in recent years.

SPANISH DRIED FRUIT PRODUCTION

Item	1968	1969	1970	1971 ¹
	1,000	1,000	1,000	1,000
	short	short	short	short
	tons	tons	tons	tons
Raisins:				
Malaga	5.5	4.2	5.5	2.8
Denia	2.8	1.3	2.2	.9
Total	8.3	5.5	7.7	3.7
Figs	6.6	4.4	4.1	3.9
Apricots	1.4	1.4	1.3	.7
Grand total	16.3	11.3	13.1	8.3

¹ Revised.

European Community Sets Raisin Quota for 1971-72

The European Community has established the 1971-72 tariff quota for imports of raisins in immediate containers holding 33 pounds or less.

The quota, open to imports from all countries, originated in the EC-Iranian Trade Agreement of 1963 and provides a reduced tariff of 1.2 percent from December 1, 1971, to November 30, 1972. Quantity is based on 15 percent of Community imports in 1969-70 and totals 3,093 short tons, 9 percent above last year. Distribution to importing countries is as follows:

	Short tons
West Germany	2,360
Belgium, Netherlands-Luxembourg	364
France	292
Italy	77
Total	3,093

DAIRY AND POULTRY

Chile Renews Effort To Expand Poultry Meat Production

To help offset the country's growing red meat deficit, the Government of Chile recently initiated several measures to boost poultry meat production. Expansion plans call for increased imports of baby chicks, feed grains, feed supplements, and processing equipment.

To encourage the importation of baby chicks, the ad valorem duty was suspended on imports of 1-day-old chicks for the last half of December. During the suspension period 110,000 baby chicks for broiler production and 40,000 for layers were imported by Empresa Nacional Avicola, a poultry production agency created by the Government. Moreover,

three poultry breeding stations were recently established.

Foreign credit and technical assistance are, reportedly, being used in hopes of producing 60 million broilers in 1972. Recent purchases of feed grains in the international market are scheduled for delivery in January and February. Plans also call for more feed supplies to be imported later this year.

The Empresa Nacional Avicola recently announced a production goal of 176.4 million pounds for all poultry meat in 1972. Approximately 100 million pounds of poultry meat was produced in 1971, down 21 percent from the level reported for 1970. This decline was attributed to unfavorable climatic conditions and uncertainties on Government policies.

FATS, OILS, AND OILSEEDS

Argentine Peanut Plantings Down; Soybeans and Cotton Up Sharply

The first official estimate places Argentine peanut plantings at 756,126 acres, 2.5 percent less than last season's 775,894.

Although economic factors both in Argentina and in the export market favored larger plantings, farmers' intentions were limited by a lack of sufficient soil moisture in the major producing area of Córdoba. The survey which provided this estimate was conducted in late September and early December when 25 percent of the plantings remained to be sown. Thus, it is possible that the final area planted could be down by more or less than 2.5 percent. Last season's peanut crop totaled 387,600 metric tons.

Soybean plantings are estimated at 128,986 acres, 38.5 percent higher than the 93,157 acres last year and 86 percent over the recent 5-year average. The official report indicates that intentions were for a far larger increase, but a lack of moisture in the main producing zones and a lack of sufficient seed in others have been limiting factors. Since seedlings can go on into January, the ultimate increase may be greater or less than 38.5 percent. Last season's crop was a record—59,000 tons (2.2 million bushels).

Cotton seedings are indicated at 1,065,495 acres or 11.3 percent above last season's 975,512 acres. As with peanuts and soybeans, cotton plantings have been limited by a lack of moisture, and about 25,000 acres were lost in the province of Chaco because of hail. Some of this loss will be reseeded to cotton, but some may go to sunflowerseed.

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FOREIGN AGRICULTURE

Replacing Turkey's Poppy Profits (Continued from page 3)

gated is only 6 percent of the area's cropland, it is important because it offers a broad choice of crops and the chance to raise more cash crops—such as pulses, oilseeds, nuts, vegetables, fruits, and sugar beets.

These cash crops plus livestock products would provide Turkey with some much-needed ammunition to fight its substantial foreign trade deficit.

However, before farm products can earn money as exports, support must be given in Turkey to the development not only of the production of agricultural goods but also to a whole range of related projects. For example, the supply of credit must be improved, technical services provided by the Government must be strengthened, and more infrastructure for commercial farming is needed.

Associated with such projects, programs need to be set up to provide supplemental employment through public works projects, cottage industries, and relocation of people to areas where more job opportunities exist. Most important of all, according to the recommendation of the Turkish-U.S. team, is initiating a regional authority to administer development programs.

The importance of putting into effect plans to increase Turkey's production of cash crops and possible agricultural exports is illustrated by the country's present balance of payments. In 1970 imports slightly exceeded \$1 billion while exports were about \$575 million.

Of the export figure, approximately \$440 million worth was agricultural: Cotton was worth \$131 million, tobacco \$103.5 million, filberts \$100 million, and raisins \$32 million.

The relative balance of exports and imports was about the same in 1971 as in 1970, but wheat was added to the export list because Turkey had a particularly good harvest that year owing to better-than-usual moisture conditions.

If the new plans are put into effect, some products that might swell Turkey's agricultural exports in the future are, in addition to livestock products, oilseeds or products, pulses, fresh cher-

ries, cherry juice, onions, garlic, grapes, peppers, and nuts.

Further, greater livestock output would mean more domestic production of hides and skins and the possible elimination of leather imports.

However, even with greater and more varied farm output, Turkey's expansion of its export markets is not guaranteed. How much Turkey sells abroad depends on demand in importing areas such as Europe, the competition exerted by other countries (particularly Mediterranean countries), and the encouragement and support given by the Turkish Government.

Canada Moves National Farm Marketing Bill

On New Year's Eve the Canadian House of Commons passed farm bill C-176—the Farm Products Marketing Agencies Act. This bill is intended to provide the legal and administrative framework necessary to establish nationwide marketing agencies for specific agricultural products. The bill has generated strong opposition in some quarters. Nevertheless, it is expected to clear the Senate soon.

The general purpose of the bill is to coordinate the policies of existing provincial marketing boards. It will give producers more marketing control and provide for a more orderly flow of products to consumers by authorizing a national farm products marketing coun-

cil and the national marketing agencies.

Generally, the national marketing agencies will be established only upon approval of the majority of producers concerned. And the type of marketing program undertaken can range from very limited market promotion activities to very broad powers over supplies, pricing, and transportation.

One purpose of the bill will be to coordinate the policies of the provincial marketing boards. Differences in these policies have led to inter-Provincial disputes over the movement of certain products controlled by the boards. One such dispute was last year's so-called "chicken and egg war" (see *Foreign Agriculture*, Sept. 20, 1971).